

small business during the first 10 years. Not one.

Just as an aside, I must say I have been surprised, during this debate, to hear so many of our colleagues on the other side of the aisle expressing concern for family farmers and ranchers. In South Dakota and all across this country, family farmers and ranchers are working practically around the clock to scratch out a living. They are working 12 hours a day, 7 days a week—not even making back their production costs, earning less than their parents and grandparents earned in the Depression.

Too many of them are being forced to sell farms and ranches that have been in their families for generations—not because they cannot pay estate taxes; their farms and ranches are not worth enough to owe any estate taxes. They are being forced out by the disastrous Federal agriculture policies put in place by a Republican Congress. I am relieved to hear our colleagues acknowledge, finally, that family farmers and ranchers need help from this Government. I hope they will continue to believe that when we move on to the agriculture appropriations bill next week.

That is the first difference between our plan to cut estate taxes and the Republican plan: Our plan cuts estate taxes for family farmers and ranchers immediately. Their plan does nothing for family farmers and ranchers for the first 10 years.

The second major difference is, our plan costs less: \$65 versus \$105 billion over the first 10 years. Our plan does not cost in the second decade, as their plan does.

Our plan is simple and effective. For couples with assets of up to \$4 million, we eliminate the estate tax entirely. We also eliminate the estate tax on all family farms, ranches, and businesses worth up to \$8 million. Under our plan, only the wealthiest seven-tenths of 1 percent of estates and the wealthiest one-half of one percent of family-owned businesses would pay any estate taxes.

Let me say that again: Only the wealthiest seven-tenths of one percent of couples and the wealthiest one-half of one percent of businesses would pay any estate taxes under our proposal.

The third major difference between our plan and the Republican plan is: Our plan also helps the other 98 percent of Americans who do not pay estate taxes. Because we target our estate tax relief, we are able to provide additional tax breaks to families, to help them with real, pressing needs—like child care, paying for college, and caring for sick and aging relatives. Because we target our estate tax relief, we are able to provide a real Medicare prescription drug benefit.

Under our plan, someone who inherits an estate worth \$20 million would receive a tax cut of roughly \$1 million. Our Republican colleagues say that is not enough. They want to spend hundreds of billions of dollars more than is

in our plan, on far bigger tax cuts for multimillionaires. That is their priority for the surplus: bigger tax cuts for the very wealthiest Americans—at the expense of everyone else.

I urge my colleagues on the other side of the aisle: before you cast this vote, imagine sitting down at the kitchen table with parents who are wondering how they are going to pay for their children's college education. Imagine sitting around a kitchen table with a middle-aged woman who is wondering what will happen when her parents need long-term care—where the money will come from. Imagine talking with a retired couple who have cut back on necessities in order to pay for their prescriptions each month. How would you explain your vote to them? How would you explain to them that eliminating a tax that affects only the wealthiest 2 percent of Americans is more important than helping them care for their children, or their aging parents—or helping them with the cost of their prescriptions?

What could you possibly say to convince them to sign onto a \$750 billion tax bill that won't help them one nickel, and will come due just as the baby boomers start to retire? For the life of me, I can't imagine.

A Nation's budget is full of moral implications. It tells what a society cares about and what it doesn't care about. It tells what our values are. There are better ways to spend the first major portion of the surplus than by repealing a tax that affects only the wealthiest 2 percent of Americans. America's families have needs that are far more urgent. Those are the needs that should come first.●

Mr. ROBB. Mr. President, I supported final passage of the Death Tax Elimination Act. I'm a cosponsor of similar legislation, and I've long believed that simply dying shouldn't be a taxable event. Death and taxes may be inevitable, but they don't have to be simultaneous.

Because we've been willing to make some tough decisions over the last seven years, we now have the first budget surplus we've seen in this nation in a generation. We need to continue making those tough decisions. We need to keep the prosperity going by investing in our schools and roads and paying down the debt. We need to strengthen Social Security and modernize Medicare by adding a prescription drug benefit. We need to bolster our nation's defenses, which includes improving the quality of life for those who now serve in our military and honoring our commitment to provide health care for life for those who've already served. And we need to provide targeted tax relief.

To address these many needs, we in Congress ought to establish our priorities first. I continue to believe that before we enact massive untargeted tax cuts, we should make sure that Social Security is strong and that Medicare contains a prescription drug benefit. I

voted today to phase out the estate tax because I'm committed to making sure that no one loses their farm or their small business because of the way we tax gifts and estates. We know this legislation we passed today will be vetoed. Once the bill is vetoed, I hope we can come to the table in a bipartisan way to address a few of our more pressing national priorities and construct a fair way to protect family farms and small businesses from having to be broken up or sold just to pay estate taxes.

Mr. HATCH. Mr. President, I rise today in support of H.R. 8, the Death Tax Elimination Act of 2000. The death tax, which is also known as the estate and gift or the transfer tax, is an unfair and counterproductive burden on our economy, and it is past time Congress repealed it.

Many of my colleagues who agree with me that this tax ought to be repealed have made many persuasive arguments as to why. Rather than repeat all of these excellent arguments, I would like to focus on just one vital reason the death tax should be repealed: by hurting millions of closely-held businesses and farms, the death tax harms the economy and every American.

Mr. President, our colleagues from across the aisle have been quick to assert that only two percent of all estates are affected by the estate tax and that fewer than five percent of these estates are made up of farms and small businesses. These statistics are highly misleading and conceal a very important point. Estates that actually pay the estate tax represent only the tip of the iceberg of the total number of estates that are harmed by the tax. Let me explain.

Millions of individuals and the owners of millions of family-owned farms, ranches, and closely-held businesses are potentially subject to the estate tax, but the majority of them are able, with great effort and expense, to avoid the tax by complex tax planning or by selling the business or farm. What are left are the two percent of death tax-paying estates my colleagues keep mentioning.

Every year, billions of dollars are spent in legal and tax planning fees and other costs so that estates may effectively avoid the death tax. A survey conducted by the National Association of Manufacturers last month found that, over the past five years, more than 40 percent of respondents spent more than \$100,000 on attorney and consultant fees, life insurance premiums, and other estate planning techniques. More than half had spent over \$25,000 in the past year. Despite this planning, nearly one-third of the respondents believed the business would have to be sold to pay the death tax if the owner died tomorrow.

Furthermore, thousands of businesses are prematurely sold each year in order to escape the death tax. Business owners are forced into selling their business when they have tangible